

## Answer on Question#39867 – Writing – Marketing

### Assignment

Study and compare the performance appraisal system in a manufacturing sector and service sector. Evaluate the reasons for their success/ failures in the respective sectors.

### Solution

Performance appraisal may be defined as an organized formal interaction between a subordinate and supervisor that usually takes the form of a periodic interview, in which the work performance of the subordinate is examined and discussed, for identifying weaknesses and strengths as well as opportunities for improvement and skills development.

#### MANUFACTURING SECTOR—CRITICAL PERFORMANCE CRITERIA

- 1) Reduce lead times
- 2) Speed time-to-market
- 3) Cut operations costs
- 4) Exceed customer expectations
- 5) Manage the global enterprise
- 6) Streamline outsourcing processes
- 7) Improve business performance visibility

#### Traditional PMs// Innovative PMs

cost/efficiency based // based on value trade-off between performances//performance compatibility profit orientation customer orientation//short-term oriented long-term oriented individual measures prevalence//team measures prevalence functional measures prevalence//transversal measures prevalence//evaluation with standard development monitoring aim at evaluating// aim at evaluating and involving

#### Business Drivers

1. Simplified organization structure.
2. Consolidation of business operations
3. Technical changes to the entire organization
4. Real time data processing
5. Improving economies of scale
6. Cost saving

Service businesses do not produce any tangible output and, as it is difficult to measure performance, there is a tendency to concentrate on the easily quantifiable aspects of cost and productivity. Service sector organizations include Schools, Colleges, Universities, Primary education, Libraries, Hospitals, Banks, Insurance, Logistics, Infrastructure, Software, Government organizations and departments, Government projects, Non-governmental organizations, Any other service sector organizations.

However, the non-tangibility of output makes even productivity difficult to measure. Fitzgerald et al. advocate the use of a range of performance measures covering six “dimensions”

- (a). Competitive performance, focusing on factors such as sales growth and market share.
- (b). Financial performance, concentrating on profitability, liquidity and market ratios.
- (c). Quality of service, looks at matters like reliability, courtesy, competence and availability.
- (d). Flexibility, is an apt heading for organizations to deliver at the right speed, to respond to process customer specifications, and to cope with fluctuations in demand.
- (e). Resource utilization, considers how efficiently resources are being utilized. This can be problematic because of the complexity of the inputs to a service and the outputs from it.
- (f). Innovation is assessed in terms of both the innovation process and the success of individual innovations. In a modern environment in which product quality, product differentiation and continuous improvement are the order of the day, a company, that can find innovative ways of satisfying customers` wants, has an important competitive advantage.